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DISTRICT OF HAWAII

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FILED IN THE  
UNITED STATES DISTRICT COURT  
DISTRICT OF HAWAII

SEP 05 2007  
at 12 o'clock and 20 min P.M.  
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Attorneys for Defendants, Counterclaimants and  
Third-Party Plaintiffs KG HOLDINGS, LLC,  
QK HOTEL, LLC, and OR HOTEL, LLC  
("KG PARTIES")

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF HAWAII

SPORTS SHINKO CO., LTD.,  
Plaintiff,

vs.

QK HOTEL, LLC, et al.,  
Defendants,

and

FRANKLIN K. MUKAI, et al.,

CV 04-00124 ACK-BMK  
CV 04-00127 ACK-BMK

CONSOLIDATED CASES

FIRST AMENDED STIPULATED  
ORDER GRANTING KG  
PARTIES' SECOND AMENDED

AUG 28 2007

Third-Party Plaintiffs,  
vs.  
SPORTS SHINKO (USA) CO., LTD.,  
et al.,

Third-Party Defendants,  
and  
SPORTS SHINKO (HAWAII) CO.,  
LTD., et al.,

Third-Party Defendants/  
Counterclaimants,  
vs.  
QK HOTEL, LLC, et al.,  
Third-Party Counterclaim  
Defendants.  
AND CONSOLIDATED CASE

MOTION TO COMPEL  
DISCOVERY AND TO SET  
SCHEDULING CONFERENCE

STIPULATION TO AMEND STIPULATED ORDER GRANTING KG  
PARTIES' SECOND AMENDED MOTION TO COMPEL DISCOVERY AND  
TO SET SCHEDULING CONFERENCE

Defendants, Counterclaimants and Third-Party Plaintiffs KG Holdings,  
LLC, QK Hotel, LLC and OR Hotel, LLC ("KG Parties") Second Amended  
Motion to Compel Discovery and for a Scheduling Order ("Motion to Compel")  
was filed on May 4, 2007 and was heard on June 1, 2007.

In its memorandum in opposition and at the hearing of this motion, plaintiff  
Sports Shinko Co., Ltd. ("SS-Japan") represented to the Court and parties that the  
intercompany debt alleged to be owing from Sports Shinko (Waikiki) Corporation  
to SS-Japan that forms the basis for SS-Japan's status as a creditor such that it may

sue under the Hawaii Uniform Fraudulent Transfer Act, Hawaii Revised Statutes Ch. 651C (“HUFTA”) is a ¥10 billion note dated June 5, 1990 (the “Debt”), a purported copy of which is attached to SS-Japan’s memorandum in opposition as Exhibit 2. SS-Japan also acknowledged that the Debt is identified in the exhibit to the Loan Purchase Agreement and Supplement to Loan Purchase Agreement between SS-Japan and South Wind Realty Finance Cayman Company dated December 30, 2004. The Court accepts the foregoing representations.

The parties concluded that paragraph 3 of the Stipulated Order Granting KG Parties’ Second Amended Motion to Compel Discovery and to Set Scheduling Conference filed on June 18, 2007 was unnecessarily inclusive at this stage of the litigation. This First Amended Stipulated Order is submitted to narrow the scope of materials to be provided pursuant to paragraph 3 as set forth below.

The Court, considering the record herein and the arguments of counsel, and good cause appearing therefore, hereby orders as follows:

1. SS-Japan shall fully answer Interrogatory No. 5 propounded by Defendant Mukai in these consolidated cases (served on SS-Japan on October 19, 2006), provided however, SS-Japan’s response shall provide a statement of the debits and credits to the Debt, including, without limitation, payments, charges, offsets, write offs, forgiveness, conversions to equity, and interest assessed from the date of formation of the Debt until December 31, 2006, and shall also state the

unpaid balance at each such date. The answer shall consistently state amounts in either U.S. dollars or Japanese yen, but not both.

In addition, SS-Japan shall separately specify the records that show: (a) the original principal balance of the Debt; (b) the rate(s) of interest applied since the Debt was allegedly formed on June 5, 1990; (c) the present owner of the Debt and all others who have owned the Debt since January 25, 2002; (d) the relinquishment of rights of the prior owner(s) of the Debt; (e) the unpaid principal and accrued interest on the Debt as of December 31 of each year from 1990 to 2006; (f) all debits and credits to the Debt from and after June 5, 1990 until SS-Japan's response to this Order, including, without limitation, payments, charges, offsets, write offs, forgiveness, conversions to equity, and interest assessed, including board minutes or resolutions of SS-Waikiki and/or SS-Japan authorizing such debits and credits, and indicating in each instance whether the debit and credit was applied to interest or principal, (g) documentation evidencing the creation of the alleged Debt, including board minutes or resolutions of SS-Waikiki and/or SS-Japan regarding the same, and the promissory note that allegedly forms the basis for the Debt, and (h) any additional records that relate in any fashion to the Debt.. To the extent practicable, the record specification shall eliminate duplicative documents. SS-Japan shall produce the copies of the documents specified in response to paragraph 1 of this Order, and only those documents. The documents

shall be produced in two, clearly identified groups. The first shall consist of the documents showing the facts described in subparts (a) - (g) of paragraph 1 and the second shall consist of documents described in subpart (h) of paragraph 1.

Counsel for the defendants shall pay SS-Japan's counsel its reasonable copy costs for such document productions.

2. If an original signed promissory note exists to support the ¥ 10 billion debt, SS-Japan will make it available to counsel for the KG Parties and Mukai for inspection prior to the time of filing its opposition to the Motion for Partial Summary Judgment filed by the KG Parties on August 24, 2007.

3. SS-Japan shall produce all the general ledgers, including all transaction details, that are the source of information for the balance sheets, income statements and trial balances for SS-USA and its subsidiaries, including but not limited to the general ledgers and transaction details that support the balance sheets, income statements and trial balances for SS-USA and subsidiaries for the year ending December 31, 2001 and for each accounting period thereafter. This shall include the general ledgers, including all transaction details, that are the source of information for the balance sheets, income statements and trial balances for SS-USA and its subsidiaries for the year ending December 31, 2004 (produced by SS-Japan as documents numbered 256 0253 – 256 0282). SS-Japan shall produce these documents in an electronic format agreed by the parties (except for

the period from January 1, 2001 through May, 2002, which shall be produced in hard copy). SS-Japan shall be permitted to continue its search for, and supplement its production of, documents responsive to this paragraph until August 31, 2007.

4. Except as otherwise expressly provided, SS-Japan shall fully comply with this Order no later than 30 days after this Order is entered.

5. A scheduling conference is set before this Court on June 15, 2007 at 9:30 a.m.

IT IS SO ORDERED

DATED: Honolulu, Hawaii, 8-31-2007.



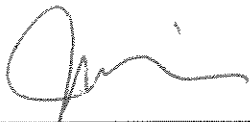
The Honorable Barry M. Kurren  
United States Magistrate Judge

APPROVED AS TO FORM AND CONTENT:



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A handwritten signature in black ink, appearing to read 'William Bordner', is written over a horizontal line.

WILLIAM BORDNER

JOHN REYES-BURKE

Attorneys for Defendant and

Third Party Plaintiff

Franklin Mukai

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Sports Shinko Co., Ltd., vs. QK Hotel, LLC, et al.; CV 04-00124 ACK-BMK and Consolidated Case; FIRST AMENDED STIPULATED ORDER GRANTING KG PARTIES' SECOND AMENDED MOTION TO COMPEL DISCOVERY AND TO SET SCHEDULING CONFERENCE